

VZCZCXYZ0015  
RR RUEHWEB

DE RUEHRL #0442 0641531  
ZNR UUUUU ZZH  
R 051531Z MAR 07  
FM AMEMBASSY BERLIN  
TO RUEHC/SECSTATE WASHDC 7306  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE  
RUCNFRG/FRG COLLECTIVE

UNCLAS BERLIN 000442

SIPDIS

SIPDIS

E.O. 12958: N/A  
TAGS: [SO](#)[CI](#) [PG](#)[OV](#) [GM](#)  
SUBJECT: KINDERGARTEN CAPERS: CDU EATS THE SPD'S LUNCH

¶1. (U) Summary. In the debate with minority conservative elements in her own party over creation of new day-care/pre-school slots for Germany's children, Chancellor Merkel is advancing her program of modernizing the CDU's social image. At the same time, she has stolen at least some of the Social Democrats' thunder as the socially progressive party. The substantive dispute with the SPD is small, however, and if compromise can be reached on funding the new slots, it will represent a substantial achievement in the social sphere, to the possible benefit of coalition stability. However, if the CDU is able to use the issue to win big in important 2008 state elections, the already unhappy SPD rank-and-file may become further alienated from the Grand Coalition. End Summary.

¶2. (U) CDU Minister for Family Policy Ursula von der Leyen has raised a storm with proposals to create 750,000 new day-care/pre-school places in Germany, where policy has long been structured to favor stay-at-home mothers. Beyond seeking a policy response to Germany's low birth rate and low employment participation rate for women, the proposal must also be seen in the context of Merkel's long-term push to reform the CDU's view of society and social policy so as to maintain or increase the party's electability. The storm arose, in the first instance, as social conservatives in the CDU and, especially, Bavarian CSU criticized the move, as have conservative Catholics. However, the popularity of the proposal in the CDU as a whole is undoubted and no major figure has taken up opposition. Rather, state leaders such as Roland Koch, Christian Wulff, and Juergen Ruettggers have spoken in favor of the proposal.

¶3. (U) An aspect of the debate that offers Merkel and the CDU greater opportunities has been the impact of von der Leyen's proposal on the SPD. Concerned about the potential blow to the SPD's image as the party of social justice (in a Spiegel poll published March 3, 33% of respondents say the CDU/CSU is doing the most for families, 26% say the SPD), General Secretary Beck and four other party leaders called a press

SIPDIS

conference on February 26 to present the SPD's own plans for early years child care. However, many of the basics seem already agreed -- both the number of new places and the preservation of a system of child support payments for families who wish to keep their children at home in their pre-school years are agreed. Thus, the SPD criticism of von der Leyen's proposal largely focused on the lack of a detailed plan for funding the new places. The SPD did present a financial plan, and the debate is now likely to shift to coalition wrangling over the financial details. Chancellor Merkel has called for negotiations within the coalition and has said that "where there's a will, there's a way."

¶4. (U) Already buoyed in polls by her leadership role in the

EU and G-8, agreement on an increase in child-care coverage could give Merkel and the government a substantial domestic policy boost (much needed after the tax increase and widely disparaged health care reform). The benefit to the CDU could also be considerable among women, younger voters, and urbanites - the root of the SPD's worries (Note: CSU SecGen Soeder has told ConGen Munich that working-age women are one of the weakest demographic groups for the party. End Note). The SPD will continue to scramble to make up lost ground. Some observers are already suggesting that the CDU's initiative could reinforce its strong position in Hesse, where the SPD had hoped to use family policy as a key plank in its January 2008 election campaign. While seemingly contradictory, it is conceivable that while the government as a whole gains from a new child care policy, the SPD could become more dissatisfied with a Grand Coalition.

KOENIG